

立法會
Legislative Council

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Panel on Information Technology and Broadcasting

**Minutes of the special meeting
held on Tuesday, 30 June 2009, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Andrew LEUNG Kwan-yuen, SBS, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Members absent : Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Cyd HO Sau-lan
Hon WONG Yuk-man

Public officers attending : Agenda Item I

Mr Duncan PESCOD, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Jeremy GODFREY
Government Chief Information Officer

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Consulting and Operations)

Mr Alex LEE
Chief Systems Manager (IT Operations)
Office of the Government Chief Information Officer

Mr CHAN Tze-yee
Head, Regulatory 1
Regulatory Affairs Branch
Office of the Telecommunications Authority

Agenda Item II

Mr Duncan PESCOD, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Ms Ida LEE
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)B

Mrs Marion LAI CHAN Chi-kuen, JP
Director-General of Telecommunications

Miss Elaine HUI
Principal Regulatory Affairs Manager (Competition)1
Office of the Telecommunications Authority

Agenda Item III

Mr Duncan PESCOD, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Kevin CHOI
Acting Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Ms Maisie CHENG, JP
Commissioner for Television and Entertainment
Licensing

Mr PO Pui-leong
Assistant Commissioner for Television and
Entertainment Licensing (Broadcasting Division)

Attendance by invitation

: Agenda Item III

Broadcasting Authority

Mr Ambrose HO, SC, JP
Chairman

Television Broadcasts Limited

Mr Stephen CHAN
General Manager, Broadcasting

Mr CHEONG Shin-keong
General Manager, Broadcasting

Asia Television Limited

Ms Nancy HU
Chief Executive Officer

Mr H Y KWONG
Senior Vice President
Corporate Development & External Affairs

Mr LEUNG Ka-wing
Senior Vice President
News & Public Affairs

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Ms Annette LAM
Senior Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)6

Action

- I. Progress update on the provision of Wi-Fi facilities at Government premises**
(LC Paper No. CB(1)2017/08-09(01) -- Administration's paper on progress update on the implementation of the Government Wi-Fi programme

LC Paper No. CB(1)2017/08-09(02) -- Paper on the implementation of the Government Wi-Fi programme prepared by the Legislative Council Secretariat (background brief))

Briefing by the Administration

At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) (PSCED(CT)) briefed members on the latest progress on the implementation of the Government Wi-Fi (GovWiFi) programme and its achievements as set out in the Administration's paper (LC Paper No. CB(1)2017/08-09(01)).

Discussion

Wi-Fi coverage

2. In response to Mr LEE Wing-tat's enquiry about the timetable of 100% coverage of major public areas by GovWiFi, Deputy Government Chief Information Officer (Consulting and Operations) (DGCIO) advised that the GovWiFi programme aimed at the provision of Wi-Fi facilities at government premises for free use by the public and the Government had not preset any targets for 100% Wi-Fi coverage over the territory. The Government had completed installation of Wi-Fi facilities at around 350 premises, and had selected more premises for provision of Wi-Fi facilities, making a total of around 380 premises. Additional Wi-Fi facilities would be provided in response to user demand. As for the provision of Wi-Fi facilities by the private sector, the Government had put in place measures to facilitate private sector participation, and the market was flourishing to the extent that Hong Kong's Wi-Fi coverage ranked amongst the top at the international level. In response to Ms Emily LAU's enquiry, DGCIO added that the Government had planned to provide about 2 000 Wi-Fi hotspots, whereas the industry had forecasted that the number of Wi-Fi hotspots would climb to 10 000 in the near future. The actual growth would depend on public demand.

3. In response to Dr Samson TAM's enquiry about the progress of making use of lamp posts for the provision of public Wi-Fi service, Head, Regulatory 1, Regulatory Affairs Branch of the Office of the Telecommunications Authority advised that a database on all the lamp posts for the provision of Wi-Fi service had been made available to Wi-Fi service providers. So far, one operator had completed a six-month field trial using a lamp post in Tsim Sha Tsui. Detailed technical proposals for the provision of Wi-Fi service were being awaited.

4. In response to Mrs Regina IP's enquiry about the progress of Hong Kong's development into a wireless city as compared to other major cities in the world, DGCIO advised that Hong Kong had a leading edge in the development of telecommunications infrastructure as it ranked the second in the world and the first in Asia in terms of broadband coverage while other Asian cities were catching up

with the laying of broadband network. Efforts were also being made by the Government in promoting the adoption of wireless technology and facilitating the public to access E-Government service through the use of Wi-Fi service.

Possible competition with the private sector

5. Ms Emily LAU opined that the Administration should refrain from competing with the private sector in the provision of Wi-Fi facilities to avoid unfair competition. In this connection, she enquired about the number of Wi-Fi hotspots provided by the Administration as well as the industry.

6. In response, DGCIO advised that the programme had been well-received by the private sector and no complaints about unfair competition had been received from them. On the contrary, synergies had been achieved between the Government and the private sector in providing public Wi-Fi services. This was reflected in the increase in Wi-Fi hotspots from about 1 000 at the launch of the *GovWiFi* programme to about 8 000 currently. About 1 500 of such hotspots were provided by the Government. Besides, the Government also facilitated industry players in developing Wi-Fi applications. Government Chief Information Officer (GCIO) added that the Government had made available public Wi-Fi locations on its website for public information. Since the programme began, there had been increased interest of the public in acquiring smart phones with Wi-Fi capability. The whole portfolio of Wi-Fi hotspots deployed by Government and the private sector had created a better proposition for Wi-Fi users.

Financial commitment

7. In response to Dr Samson TAM's enquiry about the unused funding commitment of over \$110 million, DGCIO advised that the commitment would be used to fund the provision of Wi-Fi facilities in additional premises until the completion of the whole *GovWiFi* programme, and any remaining commitment would be returned to the central coffers.

Satisfaction level

8. In response to Dr Samson TAM's enquiry about the satisfaction level of the public towards the *GovWiFi* service, GCIO advised that the results of a recent satisfaction survey had shown that 76% of the respondents were either satisfied or very satisfied with the level of service provided. He added that filtering software was incorporated in the *GovWiFi* service to prevent users from accessing inappropriate websites in public places, and guidelines were provided to premises owners for handling on-site user complaints.

II. Progress report on the pilot run of Customer Complaint Settlement Scheme

(LC Paper No. CB(1)2017/08-09(03) -- Administration's paper on progress report on the pilot run of Customer Complaint Settlement Scheme

LC Paper No. CB(1)1456/07-08(06) -- Administration's paper for meeting on 13 May 2008 on outcome of the public consultations on the proposed creation of a Unified Carrier Licence under the Telecommunications Ordinance

LC Paper No. CB(1)975/07-08(04) -- Administration's paper for meeting on 10 March 2008 on the provision of consumer information in relation to residential broadband use in Hong Kong

LC Paper No. CB(1)2054/08-09(01) -- Extract of minutes of meeting held on 13 May 2008

LC Paper No. CB(1)2017/08-09(05) -- Extract of minutes of meeting held on 10 March 2008

LC Paper No. CB(1)2017/08-09(04) -- Hon James TO Kun-sun's question on protecting interests of consumers of telecommunications services at the Council meeting on 5 March 2008 and the Administration's reply

LC Paper No. CB(1)2054/08-09(02) -- Progress report on the motion on "Strengthening the regulation of unscrupulous business practices in pay television, telecommunications and internet services" at the Council meeting on 4 July 2007

LC Paper No. CB(1)2142/08-09 -- Administration's paper on progress report on the pilot run of Customer Complaint Settlement Scheme (power-point presentation materials))
(tabled at the meeting and subsequently issued via e-mail on 2 July 2009)

Briefing by the Administration

9. With the aid of powerpoint presentation, Director-General of Telecommunications (DG of T) briefed members on the progress of the pilot programme for the Customer Complaint Settlement Scheme (CCSS Pilot Programme) administered by the Office of the Telecommunications Authority (OFTA), as set out in the Administration's paper (LC Paper No. CB(1)2017/08-09(03).

Discussion

Consumer protection and dispute resolution

10. In response to Mr LEE Wing-tat's enquiry about measures to prevent the frontline staff of the telecommunications operators from engaging in misleading or deceptive conduct in promoting their service to the customers, DG of T advised that under the licensing conditions and the service contracts between the telecommunications operators and the customers, the telecommunications operators as the licensee would be held directly responsible for any misconduct of its employees. DG of T added that the Administration attached great importance to customer protection and satisfactory resolution of consumer complaints and contractual disputes. Under the new unified carrier licence (UCL), a special condition (SC 36) on "Service Contracts and Dispute Resolution" had been introduced to empower the Telecommunications Authority (TA) to issue codes of practices to licensees. Pursuant to SC 36, the licensee should comply with any code of practice issued by the TA in respect of the requirements (e.g. the format and terms and conditions) specified in the contracts of telecommunications services to customers. Any breach of the code of practice would be regarded as a breach of the licensing conditions and subject to penalty ranging from financial penalty to revocation of the service licence.

11. Ms Emily LAU noted that as of 15 June 2009, only 13 cases had been handled under the CCSS Pilot Programme and only one out of 9 759 complaints had been resolved through mediation in 2008. She enquired about the reasons for the small proportion of complaints which were handled under the Pilot Programme, and the financial implications for the CCSS upon full implementation.

12. In response, DG of T advised that the CCSS Pilot Programme aimed to try out the procedures involved and identify any problems which might arise. It would run for a further eight months, after which OFTA would conduct a comprehensive review on the viability and financial implications of setting up a CCSS in the long run. In overseas countries, similar schemes were run on the contributions from the industry. In response to Ms Emily LAU's further enquiry, DG of T added that it generally took about 100 days to handle a complaint under the CCSS Pilot Programme.

13. Noting that the CCSS Pilot Programme was based on voluntary participation, Mr Ronny TONG enquired about the execution of the decision of the adjudicator and measures taken to protect the interests of the customers.

14. In response, DG of T advised that the CCSS was an alternative dispute resolution scheme which sought to provide a convenient and cost-saving means for the parties concerned, by obviating the need to resort to legal means to resolve their disputes. No legal representation was allowed under the CCSS. In order to provide a level playing field to the customers, the decision of the adjudicator would be binding on the participating company, but not the customer who would be free to pursue other redress channels if he or she did not accept the decision. This was in line with the practice of similar voluntary alternative dispute resolution systems in overseas countries.

15. Noting that many of the complaints had arisen from contractual disputes between the service providers and the customers, especially the elderly who were unclear about the terms of the contract, Mr CHAN Kam-lam opined that the incoming service provider should be obliged to clarify with the outgoing service provider about any unexpired contract period and outstanding service fees payable by the customer.

16. In response, DG of T advised that in the consultation with the industry about the proposed code of practice, there were discussions requiring the service providers to be particularly cautious and explain clearly the contract terms to the elderly customers before entering into any service agreements with them.

17. Mr WONG Ting-kwong noted that certain complaints about unsolicited phone calls had arisen from the leakage of personal information provided by the customers who had signed telecommunications service contracts with the service providers. Mr WONG enquired about the nature of the complaints being handled under the CCSS Pilot Programme.

Admin 18. DG of T advised that the majority of the complaints were related to disputes over contractual conditions, none of them was related to unsolicited phone calls. She further advised that complaints about use of personal data arising from unsolicited phone calls fell within the purview of the Personal Data (Privacy) Ordinance (Cap. 486). She undertook to provide statistics and detailed breakdown in respect of the types of complaints/cases handled under the CCSS Pilot Programme after the meeting.

(Post-meeting note: The information provided by the Administration was circulated to members vide LC Paper No. CB(1)2343/08-09 on 21 July 2009.)

III. Mid-term review of the domestic free television programme service licences

(LC Paper No. CB(1)2017/08-09(06) -- Administration's paper on progress report on the mid-term review of the domestic free television programme service licences

LC Paper No. CB(1)2017/08-09(07) -- Administration's response dated 3 March 2009

LC Paper No. CB(1)1908/08-09 -- Invitation of the Broadcasting Authority on public hearings for the mid-term review of domestic free television programme service licences

LC Paper No. CB(1)2017/08-09(08) -- Newspaper cutting on 20 June 2009

LC Paper No. CB(1)2017/08-09(09) -- Letter from Hon LEE Wing-tat (Chinese version only) dated 16 February 2009

LC Paper No. CB(1)2017/08-09(10) -- Letter from Hon LEE Wing-tat (Chinese version only) dated 18 May 2009

LC Paper No. CB(1)2017/08-09(11) -- Joint letter from Hon LEE Wing-tat, Hon Emily LAU, Hon Ronny TONG, Hon Cyd HO and Hon WONG Yuk-man dated 25 May 2009

LC Paper No. CB(1)2098/08-09(01) -- Submission from a member of the public expressing views about the mid-term review of the domestic free television programme service licences)

Presentation by the Administration

19. At the invitation of the Chairman, PSCED(CT) briefed members on the progress of the mid-term review of the domestic free television programme service licenses of Asia Television Limited (ATV) and Television Broadcast Limited (TVB), as set out in the Administration's paper (LC Paper No. CB(1)2017/08-09(06)).

Discussion

Staffing situation of the licensees

20. In response to Ms Emily LAU's concern about the staffing situation of the licensees, Mr Stephen CHAN, General Manager (Broadcasting) of TVB, advised that there were 2 551 staff responsible for the local operation of TVB. The recent manpower retrenchment was a result of the completion of the digitalization exercise which affected mainly the technical support services staff. This was also due to the mismatch in skills of the staff arising from the development of the new media.

21. Ms Nancy HU, Executive Officer of ATV, advised that whilst there was a reduction of manpower resources for ATV, the financial position and staffing situation remained stable. She stressed that ATV's manpower was by no means inferior to other TV stations in the region. In fact, there were 658 permanent staff responsible for the operation of ATV with re-training provided to help them adjust to the new scope of work. Compared to ATV, an average free-to-air TV station in Taiwan hired 400 to 500 employees, whereas a large Taiwanese cable network operator normally hired about 700 employees.

Editorial independence of the licensees

22. As regards the editorial independence of TVB, Mr Stephen CHAN advised that the management of TVB had never exerted any influence on news reporting and editorial independence of its news team. He said that there had been prominent and extensive coverage of the commemorative activities of the June Fourth Incident this year. The activities were featured in the headlines of the news report at 11 p.m. on 4 June 2009. In response to Ms LAU's further enquiry, he added that the average viewership of the 6:30 p.m. news report on that day was 16 points, as compared to 18 points for the 11 p.m. news report, with viewership ratings of 1.03 million and 1.15 million respectively.

23. Mr CHAN Kam-lam opined that the news teams of the TV stations should refrain from reporting mainly on sensational news whilst neglecting those of international significance. He was aware that the news reports of TVB seldom mentioned the name of his political party when reporting on its activities, and was mostly focused on selective reporting by covering activities/survey findings of particular political parties in Hong Kong.

24. In response, Mr Stephen CHAN said that TVB had not maintained any statistics on the number of reports on the activities of local political parties. Noting Mr CHAN Kam-lam's view on selective reporting by TVB, Mr CHAN advised that he would explore the need for TVB to conduct a survey in this respect and to provide a written reply to members in due course.

(*Post-meeting note:* The information provided by TVB was circulated to members vide LC Paper Nos. CB(1)2419/08-09(01) and CB(1)2259/08-09(01) on 10 and 29 July 2009.)

Public hearings for the mid-term review

Admin 25. Mr LEE Wing-tat opined that the public hearings for the mid-term review should be held on an annual basis to give the licensees more opportunities to gauge public opinion, and be more attuned to public concern and aspiration. Chairman, Broadcasting Authority (CBA) welcomed Mr LEE's suggestion and said that the Broadcasting Authority (BA) recognized the importance of public hearings in gauging feedback from the viewing public. PSCED(CT) advised that the Administration, in collaboration with BA, would take into account Mr LEE's view in formulating its recommendations to the Chief Executive (CE)-in-Council.

Admin 26. Mr Paul TSE enquired about the licensing conditions of the licensees and whether any market surveys had been conducted to gauge public opinion, as well as measures taken to follow up the feedback received. PSCED(CT) advised that the licensing conditions of the domestic free television programme service licences were published on the website for public scrutiny. Upon the Panel's request, the Administration undertook to provide the information for members' reference.

(*Post-meeting note:* The information provided by the Administration was circulated to members vide LC Paper No. CB(1)2702/08-09(01) on 2 October 2009.)

27. CBA supplemented that in addition to the three public hearing sessions held in June and July 2009, a face-to-face opinion survey of over 3 000 households had been conducted as part of the mid-term review and would be published in July 2009. BA would also collect views through its Television and Radio Consultation Group as well as written submissions from members of the public and interested parties. All views collected would be dealt with in a serious manner.

28. Commissioner for Television and Entertainment Licensing (CTEL) added that the views collected from the first session of the public hearing had already been consolidated and published on the website of the Television and Entertainment Licensing Authority. Upon completion of all three sessions of the public hearing and release of the findings of the opinion survey, BA would consider the need to amend the licence conditions or the code of practice in consultation with the licensees, and make recommendations to the CE-in-Council.

Programming

29. Ms Emily LAU expressed concern that in a survey conducted recently by her political party, it was revealed that 25% of the programmes broadcast by ATV on weekdays were re-run programmes, whereas 42% of the programmes broadcast by ATV during prime time on weekdays were non-local productions.

30. In response, Mr H Y KWONG, Senior Vice President (Corporate Development & External Affairs) of ATV, clarified that in general, apart from certain re-run movies broadcast during prime time on Saturdays, no re-run programme would be broadcast during prime time on weekdays. The sampling time of the survey might have coincided with the re-run of "Meteor Garden", a popular Taiwan-produced drama series. He admitted that over the past six months, there had been a high proportion of non-locally produced dramas due to the decline of in-house productivity as a result of the changes in the senior management of ATV. However, more in-house productions would be picked up in the third and fourth quarters when the company resumed normal operation. Ms Nancy HU added that outsourcing was desirable for ATV productions as it could provide more variety in programme content. In fact, the service of voice acting in ATV had been outsourced to production houses in the region, including Hong Kong, the Mainland and Taiwan, for quality enhancement.

31. Mr Paul TSE considered that outsourcing would provide flexibility and cost-savings to the licensee and variety to the viewing public. Nevertheless, he opined that too much emphasis had been put on in-house productions by the two local TV stations, which was in contrast with the practice of their overseas counterparts. He enquired if there were any provisions in the licence conditions governing the proportion of local productions, re-run and informational programmes.

32. In response, CTEL advised that there were programming requirements in the licence of the two free-to-air TV stations to broadcast specific types of programmes, including those for the children, the youth and the elderly, as well as public affairs programmes. However, there were no requirements on the proportion of local productions and re-run programmes in general, except for children programmes, of which the daily broadcast requirements were set out in the licence conditions of the licensees. The Administration would take into account Mr TSE's view in formulating its recommendations to the CE-in-Council.

Admin

Competition between the licensees

33. In response to Mr LEE Wing-tat's enquiry whether the frequency spectrum would be expanded to accommodate new entrants to the market, PSCED(CT) advised that the matter would be dealt with in the context of the digital terrestrial television (DTT) service which was tentatively scheduled to convert to fully digital by 2012, subject to the take-up rate by the viewing public. At present, about 32% of the population had already switched to digital broadcast whilst 68% were still using the traditional analog service. More efforts were required to boost the digital take-up before the actual timing of the full implementation of DTT service could be determined. Until then, additional frequency spectrum could be released. The Administration would examine the issue in the context of the mid-term review.

34. In response to Mr LEE Wing-tat's concern about the unfair competition in the free-to-air TV broadcasting market, Ms Nancy HU complained that TVB had monopolized the majority of local singers and artists in the local entertainment

business and advertising field. She called on the Government to provide a more level playing field for all market participants.

Admin

35. Mr Paul TSE urged the Administration to look into the complaint lodged by ATV about anti-competitive conduct and abuse of dominance in television programme service market. Sharing a similar view, Ms Emily LAU urged that ATV should lodge a formal complaint with BA. The Administration should also inform the Panel action taken by BA about ATV's complaint. Mr LEE Wing-tat also opined that the Administration should look into the matter whether there were non-written rules preventing TVB's artists from appearing in ATV's programmes.

(Post-meeting note: The information provided by the Administration was circulated to members vide LC Paper No. CB(1)2702/08-09(01) on 2 October 2009.)

36. Regarding allegations about monopolization of artists and singers, CTEL advised that the existing Broadcasting Ordinance (BO) (Cap. 562) had already incorporated anti-trust provisions under which BA was empowered to investigate violations. ATV should provide more information in order for BA to initiate an investigation. CBA added that there were in place a mechanism and provisions in the BO dealing with complaints about unfair competition, and any complaints received by BA would be seriously dealt with.

37. In response to members, Mr Stephen CHAN presumed that the type of artists referred to by Ms Nancy HU were those who had not signed up with TVB. He denied that there were non-written rules preventing these artists from appearing in ATV's programmes. It was only natural that a commercial organization would refrain from putting resources in the training and remuneration of an employee who would work for both his employer and its competitor. He expressed strong reservation to the allegations made by ATV. He echoed CTEL's remarks that there were already provisions in the existing BO ensuring fair competition, and anyone could file a complaint through the established channel should any evidence of unfair competition be found. In this connection, CTEL advised that TELA would look into any complaints which were supported by concrete information.

38. Mr CHAN Kam-lam opined that ATV should explore new competitive strategies in order to compete with TVB on a more equal footing. He suggested that ATV should not count so heavily on outsourcing non-local productions. Instead, ATV should try to be creative in producing new types of programmes in order to establish its own market niche. It should also leverage on its own competitive strength to explore the possibility of promoting cultural exchanges with Taiwan. Moreover, he opined that both ATV and TVB should maintain political neutrality and refrain from sensational reporting.

39. Dr Samson TAM opined that in the face of keen competition from other media such as Cable TV and the Internet, the Administration should take active measures to assist the free-to-air TV licensees with a view to introducing a more variety of quality programmes to the viewing public. Reference should also be

made to the experience of South Korea in helping the local TV industry explore the regional markets.

40. Mr Stephen CHAN advised that competition was rife in the local television broadcasting market, with 50% of the households having subscribed to one or more than one pay TV service. Experience in the United States had shown that 30 to 50% of the viewers were in favour of network TV stations than pay TV stations. In the face of keen local competition, TVB had opened up the overseas markets and generated some 50% of its total operating income from these markets.

41. Noting the successful experience of TVB's operation in overseas markets, PSCED(CT) advised that the Administration was ready to work with the free-to-air TV companies, the broadband TV and the cable TV companies in exploring the regional markets. Reference would be made to the Administration's experience in helping the local film industry open up overseas markets.

IV. Any other business

42. There being no other business, the meeting ended at 12:45 pm.